

MEMORANDUM FOR: Deputy Director of Central Intelligence
SUBJECT : Potential Impact of USIB Committee Recommendations on
CIA Budget

1. This memorandum contains a recommendation submitted for your approval. Such recommendation is contained in paragraph 8.
2. In my memorandum to you on 13 July 1962, concerning the Agency activities currently under review by the Financial Policy and Budget Committee, I mentioned the possibility that a USIB committee would recommend a substantial expansion in the facilities of the NIS with a resultant impact on the Agency budget.
3. Any of the intelligence activities carried on in the community that are considered to be "services of common concern", and there are few if any which could not lay claim to that distinction under the terms of the current NSCID's, are subject to consideration by the USIB committee structure.
4. Any recommendation by a USIB committee to continue, discontinue or modify an intelligence activity will, if approved and implemented, have some effect on the budgets of the agencies involved, especially if an expansion of the activity is proposed. To the best of my knowledge, it is rare, if ever, that a USIB committee recommendation reflects the budgetary implications of the line of action proposed, or, equally important, the extent of which the proposal would, if approved, change the balance and configuration of the totality of effort involved. For example, would a major expansion in the NIS effort not only cost more in money and manpower, but, in addition, change the over-all balance of the production effort as a whole, within CIA and within any other agencies involved?
5. If we are to make a serious effort to hold the line on money and manpower and, equally important, strive to make the most effective use of the resources we do have, then it is incumbent on the committees

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of the USIB to give serious consideration to and clearly identify the budgetary implications of any recommendations they make to the Board, e.g., How much more money and manpower would an expansion require and how does the committee propose to raise these additional resources? If a contraction is proposed, what resources will be freed for use on other activities?

6. I believe that you should require the CIA members of all USIB committees (in most cases they are also the chairman) to consider, identify and explain the budgetary consequences of any action recommended by their committee with respect to CIA money or manpower; although you cannot require them to do it, similar action on the part of all other USIB committee members would make good sense.

7. With respect to CIA, you may wish to have the Financial Policy and Budget Committee review recommendations made by a committee of the USIB that would have an impact on the CIA budget in terms of money and/or manpower, and submit appropriate comments to you with respect to the budgetary implications of the action recommended.

8. If you think it desirable, I will draft a memorandum for your signature to CIA members of USIB committees on this subject.

JOHN A. BROSS
Comptroller

The recommendation in paragraph 8. is approved.

"Fine - please do - I have just killed one study on this basis."

(Signed) Marshall S. Mattox

Deputy Director of Central Intelligence

Date

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